

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 3 - 1 6

2. STATE

MO

3. PROGRAM IDENTIFICATION: TITLE XIX OF  
THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 1, 2003

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 431, Subpart M; 42 CFR 432

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$ 6  
b. FFY 2004 \$ 23

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.16-005 pages 1-7

9. PAGE NUMBER OF THE SUPERSEDES PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 4.16-005 pages 1-7 and  
Attachment A to Attachment 4.16-005 pages 1-2

10. SUBJECT OF AMENDMENT: Cooperative agreement between the Department of Social Services, Division of Medical Services (DSS/DMS), and the Department of Mental Health, Division of Mental Retardation and Developmental Disabilities (DMH/DMRDD), relating to the administration of the Medicaid Home and Community Based Waiver programs for individuals with mental retardation and developmental disabilities.

11. GOVERNOR'S REVIEW (Check One)

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *Ce*  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPE NAME:

Steve Roling

14. TITLE:

Director

15. DATE SUBMITTED:

September 25, 2003

16. RETURN TO:

Department of Social Services  
Division of Medical Services  
615 Howerton Court  
P.O. Box 6500  
Jefferson City, MO 65109

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

9/26/03

18. DATE APPROVED:

DEC 19 2003

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 01 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

*Jackie L. Gray for James B. Scott*

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

Medicaid and  
ARA for Div. of Children's Health

23. REMARKS:

*Missouri 03-16*  
*approved: 12/19/03*  
*effective: 07/01/03*

**COOPERATIVE AGREEMENT**  
**between the**  
**MISSOURI DEPARTMENT OF SOCIAL SERVICES**  
**and the**  
**MISSOURI DEPARTMENT OF MENTAL HEALTH**  
**relating to**  
**THE MEDICAID HOME AND COMMUNITY-BASED SERVICES WAIVERS**  
**FOR THE MENTALLY RETARDED AND DEVELOPMENTALLY DISABLED**

The Agreement set out in this document in cooperative and mutual understanding between the Missouri Department of Social Services, Division of Medical Services (DSS/DMS) and the Missouri Department of Mental Health, Division of Mental Retardation and Developmental Disabilities (DMH/DMRDD). DSS is the designated single state agency for administration of the Title XIX (Medicaid) program in Missouri. DMS is the Division within DSS which directly manages Medicaid program operations. DMH is the statutorily authorized agency with administrative charge and control of the provision of services to persons with mental retardation and developmental disabilities, mental illness, and alcohol and drug abuse. DMRDD is the Division within DMH with responsibility for the provision of services to persons with mental retardation and developmental disabilities.

**I. PURPOSE**

This agreement is entered into for the purpose of efficiently and effectively carrying out the administration of three Missouri Home and Community-Based Waiver programs for Persons with Mental Retardation/Developmental Disabilities: 1) Home and Community-Based Service Waiver program for Persons with Mental Retardation/Developmental Disabilities referred to as the Comprehensive Waiver; 2) Home and Community-Based Services Waiver for Persons with Mental Retardation/Developmental Disabilities referred to as the Community Support Waiver; and 3) the Home and Community-Based Services Waiver for Missouri Children with Developmental Disabilities (Sara Jian Lopez Waiver). This agreement complies with the requirements of 45 CFR Part 95.507 (6).

**II. DEFINITIONS**

For the purpose of this Agreement, the parties agree that the following definitions shall apply:

- A. Department of Social Services (DSS) shall mean the Missouri State Department of Social Services, which is the designated single State agency for Medicaid.
- B. Department of Mental Health (DMH) shall mean the Missouri State Department of Mental Health.

- C. Division of Medical Services (DMS) shall mean the agency within the Department of Social Services which administers Medicaid program operations in Missouri.
- D. Division of Mental Retardation and Developmental Disabilities (DMRDD) shall mean the agency within the Department of Mental Health that administers programs for persons with mental retardation and developmental disabilities in Missouri.
- E. Director of Social Services shall mean the Director of the Missouri State Department of Social Services.
- F. Director of Mental Health shall mean the Director of the Missouri State Department of Mental Health.
- G. Waiver Programs shall mean the Home and Community-Based Services Comprehensive Waiver for the Mentally Retarded and Developmentally Disabled, the Home and Community-Based Services Community Support Waiver for the Mentally Retarded and Developmentally Disabled, and the Home and Community-Based Services Waiver for Missouri Children with Developmental Disabilities (Sara Jian Lopez Waiver).
- H. Centers for Medicare & Medicaid Services (CMS) shall mean the agency within the Department of Health and Human Services that administers the Medicaid and Medicare Programs.
- I. Federal Financial Participation (FFP) shall mean that match provided by the federal government, pursuant to federal law and regulation, to fund services authorized under an approved Medicaid Waiver Program.

### **III. DUTIES**

#### **A. Department of Mental Health**

The Department of Mental Health, recognizing the authority of the single state Medicaid agency, will provide professional, technical, and clerical staff to conduct administrative functions necessary for the proper and efficient administration of the waiver programs.

The Department of Mental Health agrees to:

1. Monitor and review documentation concerning eligibility, need for waiver services, cost effectiveness, and protection of client rights.

2. Conduct provider relations activities necessary for the efficient administration of the waiver programs.
3. Approve plans of care to ensure that waiver reimbursement is made only for services that are necessary and appropriate.
4. Monitor services for each participant at least quarterly to ensure quality, adequacy, and timeliness.
5. Ensure providers meet Department of Mental Health standards prior to Medicaid enrollment in the waiver program(s). This includes certifying providers of residential habilitation, individualized supported living, day habilitation and supported employment services in accordance with 9 CSR 30-5.050 (Certification of Medicaid Agencies Serving Persons with Developmental Disabilities), unless providers of these services meet other applicable licensure and/or accreditation standards.
6. Ensure providers comply with both state and federal fiscal and procedural requirements pertaining to waiver services. Providers will be monitored by regional centers in accordance with RSMo 633.010(2)(4) and are subject to auditing in accordance with DMH Purchase of Service (POS) contract guidelines, or as otherwise determined necessary by DMH or DSS.
7. Report instances of provider non-compliance to DSS and jointly pursue any sanction or other action necessary and appropriate to remedy the non-compliance.
8. Prepare, print, and mail material regarding the waiver programs, including manuals, bulletins, and reports. All such material as may affect compliance with Title XIX rules shall be subject to DSS/DMS review and approval prior to distribution.
9. Participate in Medicaid related training that may be deemed necessary by the Director(s) of DSS and/or DMH.
10. Prepare policy and procedure for the internal operations of DMH regarding the waiver programs, provide training to regional center staff and providers regarding eligibility, due process and billing and payment. Such policies and procedures as may affect compliance with Title XIX rules or the assurances under which each waiver was approved will be subject to review by DSS prior to implementation.

11. Exchange information regarding DMH and DSS/DMS policy and procedure related to the efficient operation of the waiver programs.
12. Prepare annual budget requests for waiver programs appropriations.
13. Propose rates for waiver services to DSS/DMS.
14. Prepare documentation for waiver amendments, renewals, and reviews of the waivers by CMS and the State Auditor. DMH will provide DSS with the information needed for waiver amendments in a timely manner. In general, timeliness will mean information is available for review by DSS 15 working days prior to the time it is to be submitted to CMS. However, a shorter review period may be agreed upon by both agencies, based on the complexity and length of the amendment or other external factors beyond the control of both agencies.
15. Participate in hearings requested by persons who have been denied waiver services.
16. Ensure in each waiver year that neither the number of individuals served under the waiver nor the amount expended for waiver services exceed the approved estimates.
17. Exchange with DSS data to jointly compile periodic reports on the number of clients served, their costs, and the savings generated by each of the waivers.
18. Furnish the necessary information requested by DSS to request FFP. Costs claimed for services provided by DMH/DMRDD will be supported by a written agreement that includes, at a minimum, (1) the specific service(s) being purchased; (2) DMH will bill the Medicaid program in accordance with procedures outlined in the Medicaid Provider Manual(s) or as specified in the agreement; (3) the basis upon which the billing will be made by DMH (e.g., time reports, etc.) as outlined in the format provided by the Department of Social Services, Division of Budget and Finance (DSS/DBF) of the attachment A of this agreement; and (4) a stipulation that the billing will be based on the actual cost incurred. These documents will be certified by the Executive Officer of the Department of Mental Health.
19. Provide DSS with information necessary to complete the annual report on the waivers' impact, as required by 42 CFR 441.302(f).

20. Be responsible for any federal funds which are deferred and/or ultimately disallowed arising from a failure to comply with a federal requirement, unless the deferral or disallowance is the result of the Division of Medical Services' failure to submit, in a proper format and/or a timely manner, amendments to the Medicaid State Plan proposed by the Department of Mental Health required for the administration of the waiver programs. Timeliness will be measured based on the complexity of the issue(s) involved and whether the proposed state plan amendment can be processed without obtaining additional information from the Department of Mental Health. The Department of Mental Health will provide the Department of Social Services all information required to submit a Medicaid State plan amendment at least 15 working days prior to the time the amendment must be submitted to CMS.
21. Maintain the confidentiality of client records and eligibility information received from DSS, using that information only for activities permitted under this agreement. Both DMH/DMRDD and DSS/DMS are entities covered by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and are required to protect the privacy of the individually identifiable health information. It is anticipated that the departments will be entering into future agreements under which the parties and their employees, affiliates, agents or representatives may access protected health information, as defined by HIPAA, from one another.

**B. Department of Social Services**

The Department of Social Services agrees to:

1. Provide program interpretations relating to DMH responsibilities regarding the waiver.
2. Provide training for DMH staff as determined to be necessary by the Director(s) of DSS and/or DMH.
3. Determine recipients' eligibility for Medicaid.
4. Review at least annually, a random sample of waiver records. This review ensures individuals receiving waived services had a person centered plan, that the need for services was documented in the plan, and that all services were authorized prior to delivery for the time period being reviewed.


5. Reimburse enrolled providers for waiver services provided to eligible clients. Services must have been provided in accordance with a plan of care approved by DMH and subject to all the conditions set forth in the approved waiver.
6. Reimburse the Department of Mental Health at the state Medicaid match rate of 50% for waiver program administrative activities performed by Department of Mental Health staff. Reimburse the Department of Mental Health at the enhanced match rate of 75% for waiver program administrative activities performed by Skilled Professional Medical Personnel within the Department of Mental Health. The reimbursement of the Federal share shall be provided upon receipt of quarterly financial statements certified by the Department of Mental Health for eligible claims prepared in accordance with applicable federal regulations. Changes in federal regulations affecting the matching percentage, and/or costs eligible for administrative or enhanced match, which become effective subsequent to the execution of agreement will be applied as provided in the regulations.
7. Prepare the annual report on the impact each of the waivers as required by 42 CFR 441.302(f), based on information collected from DMH and from paid claim records.
8. Exchange with DMH data to jointly compile periodic reports on the number of clients served, their costs, and the savings generated by each of the waivers.
9. Review reports of provider non-compliance from DMH and jointly pursue any sanction or other action necessary and appropriate to remedy the non-compliance.
10. Assist DMH in preparing and reviewing material to be published regarding the waiver programs, including manual, bulletins, reports and recipient notices.
11. Exchange information regarding DSS/DMS and DMH policy and procedure related to the efficient operation of the waiver programs.
12. Review and comment on policy and procedure for the internal operations of DMH regarding the waivers, where such policy and procedure may affect compliance with Title XIX rules or the assurances under which the waivers were approved.
13. The Department of Social Services/Division of Legal Services will conduct fair hearings requested by recipients who have been denied waiver program services. The hearings process shall incorporate information and/or testimony

supplied by the Department of Mental Health, including clinical fact finding determinations related to the client's eligibility for waiver program services.

14. Maintain the confidentiality of client records and eligibility information received from DMH and use that information only in the activities authorized under this agreement. Both DMH/DMRDD and DSS/DMS are entities covered by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and are required to protect the privacy of individually identifiable health information. It is anticipated that the departments will be entering into future agreements under which the parties and their employees, affiliates, agent or representatives may access protected health information, as defined by HIPAA from one another.

#### IV. TERMS OF THIS AGREEMENT

The effective date of this agreement shall be from July 1, 2003, and remain in effect until canceled by one or both parties. This agreement may be modified at any time by the written agreement of both parties and may be canceled by either party with thirty (30) days prior notice in writing to the other party, provided, however, that reimbursement shall be made for the period when the contract is in full force and effective.

  
\_\_\_\_\_  
Director, Department of Social Services

9/25/03  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Director, Department of Mental Health

9/2/03  
\_\_\_\_\_  
Date



## Documentation of Claims

This agreement identifies the basis upon which claims will be documented by the Department of Mental Health ("the Agency") for expenditures funded by Title XIX Administration for the purposes specified under this agreement.

### General Provisions:

- 1) All costs must satisfy the general provisions for allowability of costs as defined in OMB Circular A-87.
- 2) All costs must satisfy the specific provisions for allowability of costs as defined by all applicable Federal program rules.
- 3) DSS shall only reimburse the allowable Federal share specified by the program.
- 4) All matching funds supporting the billing must be consistent with applicable Federal regulations governing such funds and certified by the Agency with each billing.
- 5) Any deferrals, disallowances, questioned costs, or other items not allowed for Federal Financial participation, claimed by DSS on behalf of the Agency, shall be returned either to DSS or directly to the Federal agency (as determined by DSS) by the Agency.
- 6) Billings will be based on the actual cost incurred.

### Framework:

**45 CFR Part 95.507 (6)** "...costs..for services provided by a governmental agency outside the State agency...will be supported by a written agreement that includes, at a minimum (i) the specific service(s) being purchased, (ii) the basis upon which the billing will be made by the provider agency (e.g. time reports, number of homes inspected, etc.) and (iii) a stipulation that the billing will be based on the actual cost incurred."

### Documentation Standards – Basis Upon Which the Billings Will Be Made:

**Salaries and Wages:** Please refer to OMB Circular A-87, Attachment B – Selected Items of Cost, Section 11 – Support of Salaries and Wages.

Check the item(s) that apply:

\_\_\_\_\_ Employees will work solely on activities funded by Title XIX Administration for the purposes specified under this agreement. Employee payroll records will support the documentation requirements. The Agency agrees to periodically certify that these employees worked solely on that program for the period covered by the certification. Certifications will be prepared at least semi-annually and be maintained by the Agency for inspection by DSS or the Federal agency as they may require.

X Employees work on multiple activities or cost objectives in addition to the activities funded by Title XIX Administration for the purposes specified under this agreement. Distribution of their salaries or wages will be supported by personnel activity reports that:

- a) reflect an after the fact distribution of the actual Title XIX Administration activity reimbursable under the purposes of this agreement of each employee, and;
- b) account for the TOTAL activity for which each employee is compensated, and;
- c) be prepared at least monthly and coincide with one or more pay periods.  
and, or
- d) Will be supported by a statistical sampling system or other substitute system.

*[If the cost will be supported by a statistical sampling system or other substitute system, you must attach a detailed description of your allocation methodology. Any changes to that methodology implemented after execution of this agreement will require an amendment to this agreement.]*

**NOTE:** Only a, b, and c above apply; d is not applicable.

TN: 03-16  
Supersedes: 01-26

DEC 19 2003  
Approval Date: \_\_\_\_\_  
Effective Date: 7-1-03

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- c) be prepared at least monthly and coincide with one or more pay periods.  
and, or
- d) Will be supported by a statistical sampling system or other substitute system.  
*[If the cost will be supported by a statistical sampling system or other substitute system, you must attach a detailed description of your allocation methodology. Any changes to that methodology implemented after execution of this agreement will require an amendment to this agreement.]*

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TN: 03-16  
Supersedes: \_\_\_\_\_  
03

Approval Date: **DEC 19 2003**  
Effective Date: 7-1-